



2004-2005 CAPITAL BUDGET

2005-2009 CAPITAL IMPROVEMENT PROGRAM

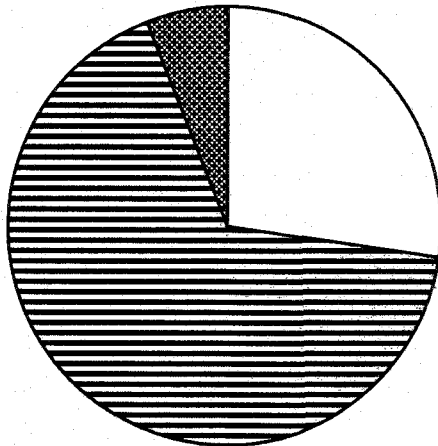


CIVIC CENTER

CIVIC CENTER CAPITAL PROGRAM

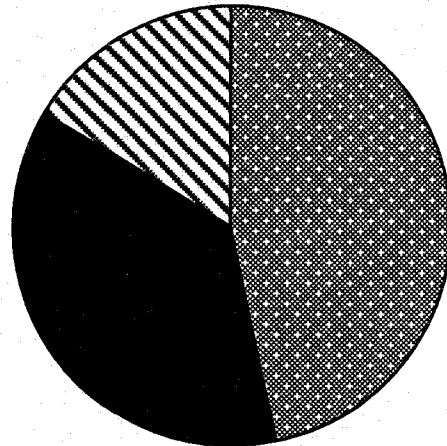
2005-2009 Capital Improvement Program

2004-2005 Proposed
Source of Funds



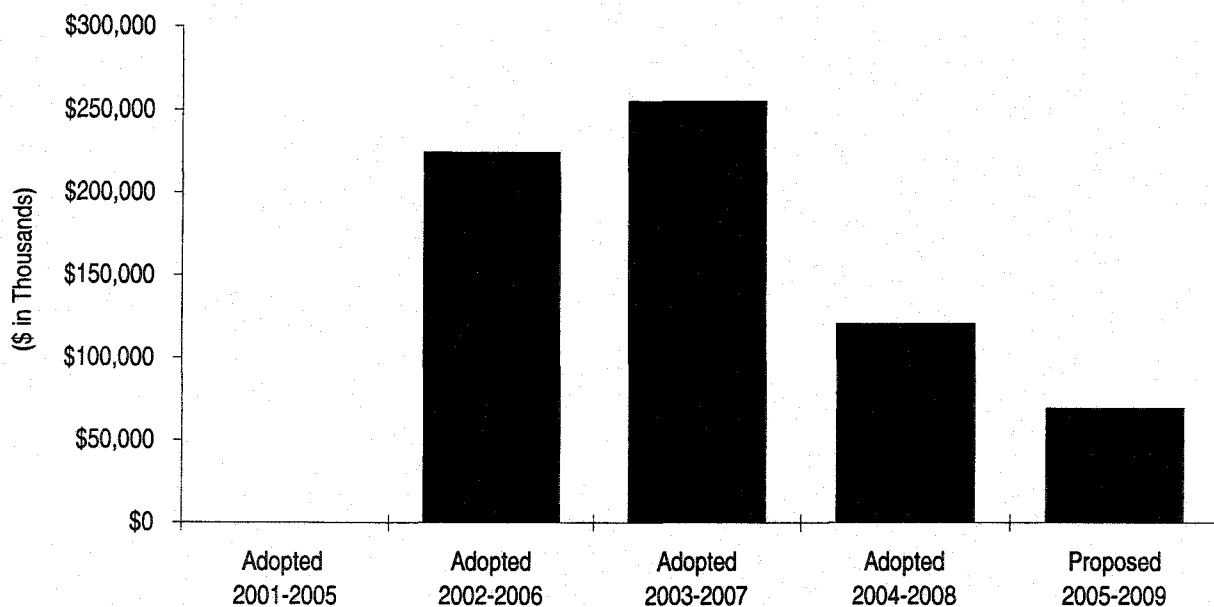
□ Beginning Fund Balance
 ▨ Bond Proceeds
 ▩ Interest Earnings

2004-2005 Proposed
Use of Funds



▩ Construction
 ■ Non-Construction
 ▨ Reserves

CIP History



Civic Center Capital Program

2005-2009 Proposed Capital Improvement Program

Overview

Introduction

The Civic Center Capital Program is responsible for constructing the new Civic Center and associated parking facilities. The new Civic Center includes approximately 530,000 square feet of office and public space and is under construction on a 4.9-acre site located on the south side of East Santa Clara Street, between 4th and 6th Streets. Major components include an 18-story office tower, a council chamber wing, an open public plaza with a rotunda, plus a 372-vehicle underground parking garage to serve the visiting public and some staff. The finished facility will be able to accommodate up to 1,950 City staff. The project also includes an off-site 1,128-vehicle employee-parking garage located north of Santa Clara Street, between 4th and 5th Streets.

This program is part of the Strategic Support City Service Area (CSA) and supports the following outcomes: *Safe and Functional Public Infrastructure, Facilities; and Equipment and Effective Use of State-of-the-Art Technology.*

Program Priorities and Objectives

The new Civic Center will be a landmark building for our community. This facility will provide a better work environment that will:

- Improve the quality of public service by bringing City operations together

- Enhance the efficiency and effectiveness of City operations
- Support long-term community/development goals

One of the major goals of this capital program is to deliver the new Civic Center project in a timely and cost effective manner.

Sources of Funding

The new Civic Center and associated parking facilities are funded through lease revenue bond proceeds and commercial paper proceeds. The General Fund and other special and capital funds that support the staff that will be located at this new facility will be responsible for the debt service payments.

Program Highlights

In terms of the project timeline, the design phase produced construction documents and the first contract was awarded in July 2002. Groundbreaking and initial construction began in August 2002. Structural steel topping off occurred in January 2004. Bids and awards of additional prime contracts will continue through summer 2004, with occupancy planned for mid-2005.

The total cost to construct the new Civic Center and parking facilities is budgeted at \$343 million. Following is a breakdown of those costs:

Projected Civic Center Construction Costs

	Actuals thru 2002-2003	2003-2004 Estimates	2004-2005	Total
New Civic Center - Construction	64,557,000	191,847,000	10,096,000	266,500,000
New Civic Center - Land Acquisition	41,900,000			41,900,000
Civic Center Parking - Construction	907,000	1,850,000	22,243,000	25,000,000
Civic Center Parking - Land Acquisition	7,716,000	1,884,000		9,600,000
Total Construction Costs	115,080,000	195,581,000	32,339,000	343,000,000

Civic Center Capital Program

2005-2009 Proposed Capital Improvement Program

Overview

Program Highlights (Cont'd.)

In addition to the construction budget, \$45.25 million is allocated for technology, furniture and equipment to operate this facility in the most effective manner. Following Council direction, the Administration is making every effort to bring this cost down by the goal of at least 15%. The individual furniture, technology and equipment items are being brought forward for Council consideration at the time of contract award with a discussion of the total costs and any cost savings.

Major Changes from the 2004-2008 Adopted CIP

Major changes from the 2004-2008 Adopted CIP include the following:

- Addition of \$45.25 million for technology, furniture and equipment at the new Civic Center that was approved by the City Council in January 2004.
- Reallocation of \$3 million from the parking garage land acquisition line item to the Civic Center construction line item based on current cost estimates (no change in overall budget).

Operating Budget Impact

The new Civic Center will have significant debt service and operating and maintenance costs starting in 2005-2006 that will be covered by the General Fund and special and capital funds. The allocation of these costs will be based on the amount of space in the building occupied by the staff supported by these funds. For many of these funds, reduced costs from currently leased facilities will be used to partially offset these debt service costs. For the General Fund, which is responsible for approximately one-half of the total Civic Center operating costs, a plan has been developed to fully offset these additional costs over the next five years by using savings from lease costs, the sale of assets, and revenue from leasing portions of the existing City Hall as outlined in the 2005-2009 Five-Year Forecast.

A summary of the anticipated operating and maintenance costs is provided in the chart below. Additional detail on the operating budget impact is displayed in the Project Detail Pages.

Net Operating Budget Impact Summary

	<u>2005-2006</u>	<u>2006-2007</u>	<u>2007-2008</u>	<u>2008-2009</u>
Civic Center Capital Program	\$ 15,185,000	\$ 32,167,000	\$ 32,547,000	\$ 32,954,000

Note: The estimated operating and maintenance costs and debt service costs are preliminary and are subject to change when the actual budget for the year in question is formulated.

2004-2005 CAPITAL BUDGET

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CIVIC CENTER

SOURCE OF FUNDS

USE OF FUNDS

2004-2005 USE OF FUNDS BY FUNDING SOURCE

The Source of Funds displays the capital revenues by funding source for each year of the Five-Year Capital Improvement Program. The Use of Funds displays the capital expenditures by line-item for each year of the five-year period. The 2004-2005 Use of Funds by Funding Source displays the funding sources for the capital expenditures that are budgeted in 2004-2005.

Civic Center Capital Program
2005-2009 Proposed Capital Improvement Program
Source of Funds

SOURCE OF FUNDS	Estimated 2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	5-Year Total
<u>Civic Center Construction Fund</u>							
Beginning Fund Balance	77,609,802	17,001,188					17,001,188 *
Sale of Bonds							
- Commercial Paper Proceeds	21,194,000						
Interest Income	3,973,000	4,052,000					4,052,000
Reserve for Encumbrances	107,986,386						
Total Civic Center Construction Fund	210,763,188	21,053,188					21,053,188 *
<u>Civic Center Parking Fund</u>							
Beginning Fund Balance	3,447,334	1,818,519					1,818,519 *
Sale of Bonds							
- Commercial Paper Proceeds	271,000	20,704,000					20,704,000
Contributions, Loans and Transfers from:							
<u>Capital Funds</u>							
- Transfer from Civic Center Construction Fund	415,000						
Interest Income	125,000	100,000					100,000
Reserve for Encumbrances	1,294,185						
Total Civic Center Parking Fund	5,552,519	22,622,519					22,622,519 *

* The 2005-2006 through 2008-2009 Beginning Balances are excluded from the FIVE-YEAR TOTAL SOURCE OF FUNDS to avoid multiple counting of the same funds.

Civic Center Capital Program
2005-2009 Proposed Capital Improvement Program
Source of Funds

SOURCE OF FUNDS (CONT'D.)	Estimated 2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	Total
<u>Civic Center Improvement Fund</u>							
Beginning Fund Balance							*
Sale of Bonds							
Commercial Paper Proceeds	19,690,000	25,560,000					25,560,000
Total Civic Center Improvement Fund	19,690,000	25,560,000					25,560,000 *
TOTAL SOURCE OF FUNDS	236,005,707	69,235,707					69,235,707 *

* The 2005-2006 through 2008-2009 Beginning Balances are excluded from the FIVE-YEAR TOTAL SOURCE OF FUNDS to avoid multiple counting of the same funds.

Civic Center Capital Program
2005-2009 Proposed Capital Improvement Program

Use of Funds

USE OF FUNDS	Estimated 2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	5-Year Total
<u>Construction Projects</u>							
Consultants	18,882,000						
Land Acquisition	1,884,000						
1. Construction	168,081,000	8,756,000					8,756,000
2. Design and Construction Management	1,442,000	1,268,000					1,268,000
3. New Civic Center Parking Garage	1,850,000	22,243,000					22,243,000
4. Public Art	3,442,000	72,000					72,000
Total Construction Projects	195,581,000	32,339,000					32,339,000
<u>Non-Construction</u>							
General Non-Construction							
5. Technology, Furniture and Equipment	19,690,000	25,560,000					25,560,000
Total General Non-Construction	19,690,000	25,560,000					25,560,000
Contributions, Loans and Transfers to General Fund							
Transfer to the General Fund to Reimburse Project Costs	1,500,000						
Total Contributions, Loans and Transfers to General Fund	1,500,000						
Contributions, Loans and Transfers to Capital Funds							
Transfer to Civic Center Parking Fund	415,000						
Total Contributions, Loans and Transfers to Capital Funds	415,000						
Reserves							

Civic Center Capital Program
2005-2009 Proposed Capital Improvement Program

Use of Funds

USE OF FUNDS (CONT'D.)	Estimated 2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	5-Year Total
<u>Non-Construction</u>							
Reserves							
6. Reserve for Capital Improvements		11,336,707					11,336,707
Total Reserves		11,336,707					11,336,707
Total Non-Construction	21,605,000	36,896,707					36,896,707
Ending Fund Balance	18,819,707						*
TOTAL USE OF FUNDS	236,005,707	69,235,707					69,235,707*

* The 2004-2005 through 2007-2008 Ending Balances are excluded from the FIVE-YEAR TOTAL USE OF FUNDS to avoid multiple counting of same funds.

Civic Center Capital Program
2005-2009 Proposed Capital Improvement Program
2004-2005 Use of Funds by Funding Source

	(425) Civic Center Construction Fund	(433) Civic Center Parking Fund	(473) Civic Center Improvement Fund	Total
TOTAL RESOURCES	21,053,188	22,622,519	25,560,000	69,235,707
<u>Construction Projects</u>				
1. Construction	8,756,000			8,756,000
2. Design and Construction Management	1,268,000			1,268,000
3. New Civic Center Parking Garage		22,243,000		22,243,000
4. Public Art	72,000			72,000
Total Construction Projects	10,096,000	22,243,000		32,339,000
<u>Non-Construction</u>				
General Non-Construction				
5. Technology, Furniture and Equipment			25,560,000	25,560,000
Total General Non-Construction			25,560,000	25,560,000
Reserves				
6. Reserve for Capital Improvements	10,957,188	379,519		11,336,707
Total Reserves	10,957,188	379,519		11,336,707
Total Non-Construction	10,957,188	379,519	25,560,000	36,896,707
Ending Fund Balance				
TOTAL USE OF FUNDS	21,053,188	22,622,519	25,560,000	69,235,707

2004-2005 CAPITAL BUDGET

2005-2009 CAPITAL IMPROVEMENT PROGRAM

CIVIC CENTER

DETAIL OF CAPITAL PROJECTS

The Detail of Capital Projects section provides information on the individual capital projects with funding in 2004-2005, including the following: project name, City Service Area (CSA) and CSA Outcome supported by the project, responsible department, Council District, project location, project description, project start and completion dates, project justification, project costs by type of expenditure, funding sources for the project, and the annual operating budget impact. On the Use of Funds statement, these projects are numbered.

Civic Center Capital Program

2005-2009 Proposed Capital Improvement Program

Detail of Capital Projects

1. Construction

CSA: Strategic Support **Initial Start Date:** 3rd Qtr. 1998

CSA Outcome: Safe and Functional Public Infrastructure, Facilities, Materials and Equipment **Revised Start Date:** 1st. Qtr. 2003
 Effective Use of State-of-the-Art Technology **Initial Completion Date:** 2nd Qtr. 2005

Department: Public Works **Revised Completion Date:**

Council District: City-wide

Location: South side of East Santa Clara Street between 4th and 6th Streets

Description: This allocation funds the construction costs for the new Civic Center complex, which consists of 530,000 square feet of office and meeting space, a Council chamber wing, an open public plaza with a rotunda, and a 372-vehicle underground parking garage to serve the visiting public and some staff.

Justification: The new Civic Center replaces the current City Hall, consolidates City departments, and reduces annual lease payments for off-site office space.

EXPENDITURE SCHEDULE (000'S)											
Cost Elements	Prior Years	2003-04 Appn.	2003-04 Estimate	2004-05	2005-06	2006-07	2007-08	2008-09	5-Year Total	Beyond 5-Year	Project Total
Construction	25,319	173,182	168,081	8,756					8,756		202,156
TOTAL	25,319	173,182	168,081	8,756					8,756		202,156
FUNDING SOURCE SCHEDULE (000'S)											
Civic Center Construction Fund	25,319	173,182	168,081	8,756					8,756		202,156
TOTAL	25,319	173,182	168,081	8,756					8,756		202,156
ANNUAL OPERATING BUDGET IMPACT (000'S)											
Debt Service					2,250	17,121	17,124	17,130			
Maintenance					4,312	4,634	4,973	5,329			
TOTAL					6,562	21,755	22,097	22,459			

Major Changes in Project Cost:

2004-2008 CIP - Construction allocation increased by \$19 million to reflect the inclusion of the on-site parking garage, which was transferred from the Civic Center Parking Fund. 2005-2009 CIP - Increase of \$3 million to reflect reallocation of funds previously budgeted for parking garage land acquisition. These shifts do not increase the overall project budget.

Notes:

FY Initiated: 1999-2000 **Redevelopment Area:** Yes

Initial Project Budget: \$178,000,000 **SNI Area:** University

Appn. #: 4213

Civic Center Capital Program
2005-2009 Proposed Capital Improvement Program
Detail of Capital Projects

2. Design and Construction Management

CSA: Strategic Support **Initial Start Date:** 3rd Qtr. 1998
CSA Outcome: Safe and Functional Public Infrastructure, Facilities, **Revised Start Date:**
 Materials and Equipment **Initial Completion Date:** 2nd Qtr. 2005
 Effective Use of State-of-the-Art Technology **Revised Completion Date:**
Department: Public Works
Council District: City-wide
Location: South side of East Santa Clara Street between 4th
 and 6th Streets
Description: This allocation funds the design and construction management expenses for the New Civic Center
 complex.
Justification: This allocation is necessary to fund the staff and non-personal charges needed to deliver the New
 Civic Center project.

EXPENDITURE SCHEDULE (000'S)

Cost Elements	Prior Years	2003-04 Appn.	2003-04 Estimate	2004-05	2005-06	2006-07	2007-08	2008-09	5-Year Total	Beyond 5-Year	Project Total
Program Management	5,790	1,442	1,442	1,268					1,268		8,500
TOTAL	5,790	1,442	1,442	1,268					1,268		8,500

FUNDING SOURCE SCHEDULE (000'S)

General Fund	702										702
Civic Center	5,088	1,442	1,442	1,268					1,268		7,798
Construction Fund											
TOTAL	5,790	1,442	1,442	1,268					1,268		8,500

ANNUAL OPERATING BUDGET IMPACT (000'S)

None

Major Changes in Project Cost:

None

Notes:

FY Initiated: 1998-1999
Initial Project Budget: \$8,000,000
Appn. #: 4641, 5491, 5492, 6613

Redevelopment Area: Yes
SNI Area: University

Civic Center Capital Program

2005-2009 Proposed Capital Improvement Program

Detail of Capital Projects

3. New Civic Center Parking Garage

CSA: Strategic Support Initial Start Date: 3rd Qtr. 2001
 CSA Outcome: Safe and Functional Public Infrastructure, Facilities, Materials and Equipment Revised Start Date:
 Effective Use of State-of-the-Art Technology Initial Completion Date: 2nd Qtr. 2005
 Department: Public Works Revised Completion Date:
 Council District: City-wide
 Location: South of St. John Street between Fourth and Fifth Streets.

Description: Two parking facilities will be constructed for use by employees and visitors at the New Civic Center: Civic Center on-site garage and Civic Center off-site garage. This allocation covers the cost of the off-site garage only.

Under the current plan, the Civic Center off-site garage will be built with a total of eight levels: one below grade and seven above. The structure will provide approximately 1,128 spaces for City employees and will also be available for public parking on evenings and weekends. The garage will be located on the center of the block bounded by Saint John Street, Fifth Street, Santa Clara Street, and Fourth Street.

Justification: This project is necessary to meet the demand for parking at the New Civic Center.

EXPENDITURE SCHEDULE (000'S)											
Cost Elements	Prior Years	2003-04 Appn.	2003-04 Estimate	2004-05	2005-06	2006-07	2007-08	2008-09	5-Year Total	Beyond 5-Year	Project Total
Construction	907	23,952	1,850	22,243					22,243		25,000
TOTAL	907	23,952	1,850	22,243					22,243		25,000
FUNDING SOURCE SCHEDULE (000'S)											
Civic Center Parking Fund	907	23,952	1,850	22,243					22,243		25,000
TOTAL	907	23,952	1,850	22,243					22,243		25,000
ANNUAL OPERATING BUDGET IMPACT (000'S)											
Cost Offset					(226)	(237)	(249)	(261)			
Debt Service					858	2,601	2,602	2,602			
Maintenance					1,032	1,089	1,138	1,195			
TOTAL					1,664	3,453	3,491	3,536			

Major Changes in Project Cost:

2004-2008 CIP - Civic Center Parking Garage line item decreased by \$19 million to reflect the transfer of the on-site parking garage component to the Civic Center Construction Fund. This shift does not increase the overall project budget.

Notes:

The pending litigation associated with this project may impact the project schedule and scope.

FY Initiated: 2001-2002 Redevelopment Area: Yes
 Initial Project Budget: \$44,000,000 SNI Area: University
 Appn. #: 6885

Civic Center Capital Program

2005-2009 Proposed Capital Improvement Program

Detail of Capital Projects

4. Public Art

CSA: Strategic Support **Initial Start Date:** 1st Qtr. 2001
CSA Outcome: Effective Use of State-of-the-Art Technology **Revised Start Date:**
Department: Public Works **Initial Completion Date:** 2nd Qtr. 2005
Council District: City-wide **Revised Completion Date:**
Location: South side of East Santa Clara Street between 4th and 6th Streets

Description: This allocation funds the public art component for the New Civic Center Complex.

Justification: This allocation addresses the Council adopted program to include public art in City construction projects.

EXPENDITURE SCHEDULE (000'S)										
Cost Elements	Prior Years	2003-04 Appn.	2003-04 Estimate	2004-05	2005-06	2006-07	2007-08	2008-09	5-Year Total	Beyond 5-Year
Public Art	486	3,442	3,442	72					72	4,000
TOTAL	486	3,442	3,442	72					72	4,000
FUNDING SOURCE SCHEDULE (000'S)										
Civic Center Construction Fund	486	3,442	3,442	72					72	4,000
TOTAL	486	3,442	3,442	72					72	4,000
ANNUAL OPERATING BUDGET IMPACT (000'S)										
None										

Major Changes in Project Cost:
None

Notes:

FY Initiated:	1999-2000	Redevelopment Area:	Yes
Initial Project Budget:	\$4,000,000	SNI Area:	University
Appn. #:	4620		

Civic Center Capital Program
2005-2009 Proposed Capital Improvement Program
Detail of Capital Projects

5. Technology, Furniture and Equipment

CSA: Strategic Support **Initial Start Date:** 1st. Qtr. 2004
CSA Outcome: Safe and Functional Public Infrastructure, Facilities, **Revised Start Date:**
 Materials and Equipment **Initial Completion Date:** 3rd. Qtr. 2005
 Effective Use of State-of-the-Art Technology **Revised Completion Date:**
Department: Public Works
Council District: City-wide
Location: South side of East Santa Clara Street between 4th
 and 6th Streets
Description: This project provides funding for the technology improvements, furniture and equipment at the new
 Civic Center.
Justification: This investment is necessary to provide a state-of-the-art facility that will meet the long-term needs of
 staff and the public they serve.

EXPENDITURE SCHEDULE (000'S)

Cost Elements	Prior Years	2003-04 Appn.	2003-04 Estimate	2004-05	2005-06	2006-07	2007-08	2008-09	5-Year Total	Beyond 5-Year	Project Total
Equipment		45,250	19,690	25,560					25,560		45,250
TOTAL		45,250	19,690	25,560					25,560		45,250

FUNDING SOURCE SCHEDULE (000'S)

Civic Center Improvement Fund		45,250	19,690	25,560					25,560		45,250
TOTAL		45,250	19,690	25,560					25,560		45,250

ANNUAL OPERATING BUDGET IMPACT (000'S)

Debt Service				6,959	6,959	6,959	6,959	
TOTAL				6,959	6,959	6,959	6,959	

Major Changes in Project Cost:

None

Notes:

FY Initiated: 2003-2004
Initial Project Budget: \$45,250,000
Appn. #:

Redevelopment Area: Yes
SNI Area: University

Civic Center Capital Program
2005-2009 Proposed Capital Improvement Program
Detail of Capital Projects

6. Reserve for Capital Improvements

CSA: Strategic Support **Initial Start Date:** N/A
CSA Outcome: Effective Use of State-of-the-Art Technology **Revised Start Date:**
Department: Public Works **Initial Completion Date:** N/A
Council District: City-wide **Revised Completion Date:**
Location: South side of East Santa Clara Street between 4th and 6th Streets

Description: This allocation establishes a reserve for capital improvements and is funded by interest income on the bond proceeds.

Justification: The new Civic Center bonds were issued with the condition that the bond interest be set aside as a project reserve. This was done because the construction bids were not available at the time the bonds were issued, resulting in potential risk to bond insurers and investors. These parties expect the City to have reserves to pay the potential costs, should the bids exceed the estimates.

EXPENDITURE SCHEDULE (000'S)										
Cost Elements	Prior Years	2003-04 Appn.	2003-04 Estimate	2004-05	2005-06	2006-07	2007-08	2008-09	5-Year Total	Beyond 5-Year
Development		4,223		11,337					11,337	
TOTAL		4,223		11,337					11,337	

FUNDING SOURCE SCHEDULE (000'S)										
Civic Center Construction Fund		3,747		10,957					10,957	
Civic Center Parking Fund		476		380					380	
TOTAL		4,223		11,337					11,337	

ANNUAL OPERATING BUDGET IMPACT (000'S)										
None										

Major Changes in Project Cost:

None

Notes:

FY Initiated: 2003-2004
Initial Project Budget:
Appn. #: 7203, 7676

Redevelopment Area: Yes
SNI Area: University